

Opening Statement of Chairman Fred Upton
Health Subcommittee Hearing on the
“True Cost of PPACA: Effects on the Budget and Jobs”
(Remarks Prepared for Delivery)

Mr. Chairman, thank you for holding this hearing. We just marked the one-year anniversary of the health care bill being signed into law. Yet today will be the committee’s first chance to fully explore the true fiscal impact the law will have on our country.

Since PPACA was signed into law, most revelations have fallen into one of the following categories: 1) news that the law will cost much more than our Democrat colleagues told us – imposing a massive burden on future generations; 2) news that job creators are facing higher financial and administrative costs as a result of PPACA 3) news that health care costs will rise, and 4) news that PPACA has jeopardized both access to and the quality of health care for American seniors, job creators, and families.

First, let’s discuss the true monetary cost of PPACA. Last week, the Congressional Budget Office noted that the coverage provisions of PPACA would cost \$1.445 trillion from FY2012-2021. This is up from a ten-year cost of \$938 billion when the bill was signed into law last March. This is not a change in CBO’s scoring. Indeed, the CBO estimates for the overlapping years are remarkably consistent. The larger figure simply proves that Washington Democrats tried to hide the true ten-year cost of the bill by delaying its startup. Based on these new estimates, the real ten-year cost of the law will be \$2 trillion if we are lucky and much more if we are not.

Second, let’s look at the economic costs. Job creators around the country have spoken loud and clear. PPACA imposes massive new burdens on them that stifle growth and job creation. Many of the country’s largest employers reported hundreds of millions of dollars in losses as a result of this law – jeopardizing investment and jobs when we need them the most.

The Majority scheduled a hearing last year to examine the losses companies were forced to report because of the law, indicating doubt that the law they championed could force such immediate harm. However, the hearing was abruptly cancelled when it became clear that the facts undermine the case for PPACA. Rather than study these massive new costs, my Democrat colleagues decided to sweep the matter under the rug.

We have also heard how PPACA imposes a paperwork nightmare on small businesses. The law requires a tax filing for every transaction over \$600. The House has voted to repeal this massive paperwork cost on America’s employers. However, our job does not end there. PPACA includes dozens of new paperwork requirements that force businesses to report to HHS, the Department of Labor, and the IRS.

Employers who originally supported PPACA are growing increasingly skeptical. In a recent interview, the CEO of Starbucks explained that upon further inspection, the new health care law would impose too great of a burden on job creators.

We have also heard from the Director of the Congressional Budget Office, Doug Elmendorf, on how PPACA reduces employment. In recent testimony before the House Budget Committee, Mr. Elmendorf stated that 800,000 jobs would be lost because of PPACA.

Third, we must consider the cost to patient care, in both access and quality. We already know low-income Americans face significant access problems in the Medicaid program because of low reimbursement rates for providers. PPACA extends the same problems to Medicare by reducing payment rates to unsustainable levels. As CMS Chief Actuary Rick Foster's analysis shows, Medicare payments fall sharply below those of private insurers and even below the Medicaid program.

Finally, the health care law has actually increased the cost of health care coverage —exactly the opposite of what proponents claimed would happen. As Mr. Foster has noted, the health care law increases overall national health expenditures by \$311 billion. CBO has told us that by 2016, individual premiums will rise by \$2,100 as a result of PPACA.

To date, HHS has issued more than 1,000 waivers to exempt health plans and employers from the expensive new regulations imposed by health care law. Last week, a member of this committee and supporter of the law suggested his hometown should receive a waiver. I think we should go one step further: we should lift the burden of PPACA from all Americans and repeal it.

Thank you again for holding this hearing. The American people deserve to know the true costs of this law. I would like to thank Larry Schuler from the great state of Michigan for agreeing to testify and present his perspectives on the new law. Mr. Chairman, I yield back the balance of my time.

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